

SOMETHING FOR NOTHING

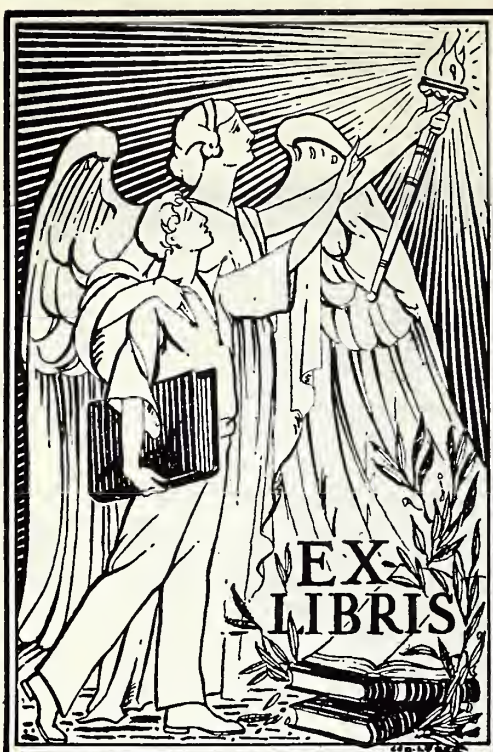
By

Charles Magee Adams

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AMERICAN FOUNDATION
FOR THE BLIND INC.

Review of Reviews - August - 1935 C.1

SOMETHING FOR NOTHING

BY CHARLES MAGEE ADAMS

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Big Cash Prizes are dangled before the public's nose by certain advertisers, especially via radio. Commercial and social consequences are important. Business, indeed, finds a headache in its latest panacea.

Keystone



BIG TIME

Most national prize contests will draw entries totaling a million or more. Despite the efforts of sponsors to be fair, the average person has but a small chance to win back his postage.



General Blomberg "tells" Hitler and Goebbels as the three stand engaged in very deep conversation.

It is extremely important in German inner politics. For General Werner von Blomberg, who was formerly defense minister of the Reichswehr, is now war minister of the Wehrmacht. And since the Wehrmacht, or regular armed force, constitutes the real and ultimate power in Germany, Blomberg, in his quiet and modest way, is at the potential pinnacle. Little is known of him, for tacitly efficient, he dislikes publicity oratory.

His ancestors were crusaders of the order of Teutonic Knights, who were recruited in the German West and pushed eastward into Prussia against the pagan Slavs in the thirteenth century. The knights had much in common with New England's Puritans, and their scientific extermination of the backward natives was almost as efficient. From those medieval days down to the present, the German *Drang nach Osten* has remained constant—the age-old push towards the Orient. In 1410, at Tannenberg, the Junker knights met with a catastrophic defeat from the Slavs. At Tannenberg

again, in 1914, the Junkers redeemed themselves. History repeats.

The Blombergs are an ancient noble family of eastern Prussia. They have been sword-following for many generations, Junkers despising material wealth and serving the state in the feudal Prussian tradition. General Werner was born in rustic Stargard on the river Ihna some fifty-seven years ago. He was educated according to hoyle at the Lichterfelde military academy near Berlin, and was a mere captain in 1914. Then came brilliant World War service on the great general staff, a slight wound, the highest of old Prussian medals—crosses. Blomberg served against Russia, and helped to plan the 1918 St. Quentin offensive that became the worst military disaster in British history. His immediate commander was General Reinhardt, although he served also under old Mackensen on the eastern front.

After the war Blomberg remained in the army, the volunteer Reichswehr founded in 1920. He became Reichswehr district commander in southwestern Stuttgart, and later at Koenigsberg in East Prussia, where he became a great friend of President Hindenburg, whose ancestral manor was not far away. Our Werner, who has a singular faculty for making influential friends, was on the way up. In the Hitler cabinet of early 1933 he landed at the top. His predecessors as ministers of defense had been Noske, Gesler, Groener, and Schleicher.

Blomberg has three hobbies: opera, books, and horses. He is especially devoted to Wagnerian themes, and to the history of Napoleonic Germany. Like all the Junkers—agrarian lordlings—he is enthusiastically at home in the saddle. A modest, gentlemanly figure, he is kindly, loyal, and not lacking in the sense of humor that is absent in most Junkers. His field-gray soldiers hold him in high esteem, although many of the nazis do not.

Army versus Nazis

Aristocratic regular army officers have never liked the brownshirts. The "monocles" have always regarded nazis as loud-mouthed amateurs who were playing soldiers, and have doubted the drastic methods of brownshirt theorists. Reichswehr regulars have never used "heil" and the fascist greeting, adhering to "hurra" and the regular military salute. Until very recently, the anti-semitic legislation—operative in purging the personnel of most professions—was indignantly rejected by the Reichswehr, which wanted good fighting-men of any race or creed. Jews had a better chance in the Reichswehr, almost, than nazis. Fur-

thermore, the Reichswehr was strongly Christian, Protestant, and it rejected nazi neo-paganism with horror. The Reichswehr—now the Wehrmacht—has remained as an autonomous state within a state. With the new conscription, it is more representative of the whole of Germany than is the National-Socialist party. Therein lies Blomberg's strength.

Wehrmacht means "defense-power" in German. The Wehrmacht itself is sub-divided into three branches: air, land, and sea. Blomberg is cabinet minister and commander of the whole. Under Blomberg, General Goering heads the aviators, General Fritsch leads the doughboys, and Admiral Raeder is at the top of the navy. Among the three branches of the service there is close coöperation, much closer, alas, than in the United States. German aviation has an ultimate objective of 6,000 planes, it is alleged, although today its strength is around 1,500. The new army will total between 500,000 and 600,000 men, in 36 divisions. The naval strength, as announced, is scheduled to stand at 35 per cent. of England's. In view of other world armaments, these figures do not seem particularly excessive, although they are two-fisted. Blomberg is a progressive soldier who believes in motorization, mechanization, and aviation, and the Wehrmacht is being moulded along quick-moving modernistic lines.

Rise and Fall

The nazis came into power, under Chancellor Hitler, on January 30, 1933. Their power came to an end on June 30, 1934, at the time of the famous blood purge. This was, in effect, a civil war between the Reichswehr and the brownshirts as to which should be the supreme military power in the Third Reich. Captain Roehm, nazi chief-of-staff, and other important storm-troop leaders were summarily shot at the time by the black-shirt Hitler Guards. Most of the nazi storm-troops were disbanded and sent home for good, and the nazi party—along with the nazi militia—was hopelessly crippled. The German public, sick of the strutting storm-troopers, sided against the nazis and seems to have rejoiced. It was a victory of 100,000 Reichswehrmen over 2½ million brownshirts. On July 1, 1934, Chancellor Hitler deserted the nazis and went over to the aristocratic army generals. Blomberg again.

Blomberg and Hitler get along well together, according to all reports. Blomberg pays lip-service to nazi ideals, and Hitler in return lets the Wehrmacht do as it pleases. Hermann Wilhelm Goering, who started

(Continued on page 75)

BUSINESS HAS a publicly avowed creed. Any tycoon receiving a six-figure salary will, on the slightest pretext, proclaim that the formula for success is the time-honored trilogy: "Work hard, save your money, and invest it wisely". Since the Roosevelt Administration established the "brain trust", business has been most articulate in lauding the rugged virtues of experience above the pale abstractions of theory.

Business raises horrified hands at certain aspects of the New Deal.

It deplores the provision of free subsistence for the unemployed, because it establishes the dangerous precedent that a living can be had without working for it. Business frowns on the processing taxes levied by the Agricultural Adjustment Administration. Paying farmers for refraining from producing crops is a contradiction of the cardinal principle that one must earn what he receives. And the Public Works program of spending our way back to prosperity smacks too strongly of the primrose path to be tolerated.

Yes, indeed, business is opposed to seductive politico-economic measures which offer soft paths to the promised land. It is no less hostile to certain socio-personal philosophies. Gambling is perhaps the best example. Whenever the issue of legalizing betting on horses and dog races has been drawn by tax-hungry state legislatures, business has usually been found shoulder to shoulder with the clergy in bitter opposition. Though sometimes contending that gambling diverts purchasing power from the channels of commerce, it has more often taken the loftier ground of public morals.

Admittedly, and understandably enough, there has been a rapid increase in public gambling during the depression (aside, of course, from stock market speculation). Organized wagering on collegiate football is a conspicuous instance, also American participation in foreign lotteries. New York City politicians came within a hair of authorizing a full-fledged lottery, technically within the law. But no matter what men may do individually, the collective face of business sternly droops with puritanical melancholia. Business zealously champions the principle that there is no short-cut to Easy Street. Compared with the days when an "inside tip" was more precious than rubies, this militant piety represents an almost evangelistic conversion.

Why is this of more than casual interest? Because, embarrassingly, it happens that business is making regular and diligent use of a spec-

tacular promotional device which flouts its virtuous preaching.

No reader who sees or hears big-time advertising can fail to be aware of the prize contest. Since the beginning of the depression it has—significantly, like gambling—enjoyed a tremendous boom. Millions of people need money. Most manufacturers need greater sales volume. And many advertising media—particularly radio—have let down the bars

on the copy they will accept. The perfect answer to these conditions is a bull market in prize contests.

According to seductively phrased announcements, the motive which prompts a contest is a fetching blend of beneficent generosity crossed with appealing helplessness. In one familiar pattern the manufacturer confesses that his word-weary advertising experts are unable to think up a suitable name or slogan for his

Publishers' Photo Service



BEGINNING

Millions of Americans enter the prize contest, but a precious few win any of the big prizes. Others fizzle.



END

A hundred or more clerks may work for several weeks sorting entries in one of the big national prize contests. Here are a few.

product; wherefore the lay public is entreated to rush to his rescue.

Another standard formula has the manufacturer begging the public to write him letters (usually "of not more than one hundred words") presenting the talking points of his merchandise; again to supplement the efforts of his more than inept advertising staff.

Or the manufacturer may merely evince a naïve curiosity to learn how many "standard English words" (generally of three or four letters) can be built from a sentence coyly incorporating some fulsome claim for his wares. For these "services" the manufacturer is willing—yea, eager—to pay, and handsomely.

A Thousand A Year

Time was when a contest with a grand prize of a few hundred dollars was sufficient to whet the covetousness of the multitude. But such plums have become "small change". Today a really sensational contest dangles an annuity assuring the winner \$1000 a year for life. "Place" and "show" money range through considerable lump sums and assorted merchandise to consolation stakes of as little as \$1. Statistics on the total largess thus distributed by the Lords Bountiful of industry are difficult to obtain. But estimates put the annual amount at from \$500,000 to well above the million mark.

Unfortunately for the average man, there is a fly in the sweet ointment of this generosity. Most manufacturers stipulate that, in order to qualify for the alluring prizes, entries must be accompanied by evidence that contestants have purchased the benefactor's product: a wrapper, carton, label or "reasonably exact facsimile thereof, drawn and colored by hand". (It is said that the last alternative was inserted by a spoilsport postoffice.)

The manufacturer merely wishes to be certain that the gifts he is showering on the public reach his friends. And the necessity of buying something which probably is unwanted does not deter many people from having a fling at \$1000 a year for life.

Covetousness and gullibility being what they are, estimates place the host of contest fans at from 5,000,000 to more than 12,000,000. Manufacturer advertising is not the only means used to swell the ranks. Press-agents find full play for their arts in this field. Numerous publications carry contest columns. In addition there are papers devoted exclusively to contest news. And ingenious entrepreneurs even sell lists of three and four-letter words from which the

contestant can cull those which suit.

To state the situation briefly, the prize contest has become a not inconsiderable industry (or racket) within or fastened upon the structure of normal distribution.

Obviously, notwithstanding the protestations of altruism, the purpose of this thriving biproduct (or parasite) industry is to inflate sales volume. And it is futile to deny that the prize contest attains its objective. When hundreds of thousands of people enter a single competition, each required to buy the sponsor's product, sales volume is increased; only temporarily, to be sure; nevertheless increased. But whether the contest does or does not step up sales is incidental.

Is the prize contest, as practised, a sound long-run commercial policy? Examine these indictments: The prize contest is nothing more than hypocritical opportunism. It is shortsighted exploitation. It is stupid institutional strategy. It is economically unjust, publicly pernicious, and too close to the border-line of lottery for ethical comfort.

Consider, first of all, the relationship which exists between any nationally-known manufacturer and his customers. Its essence is public confidence or good-will. In the minds of buyers the manufacturer's name must stand for integrity, fair dealing, all-around business honesty. Now match this fundamental necessity of safeguarding buyer confidence against the several practices developed in conducting prize contests. Begin, for example, with the claims made for the ease of competing.

According to them, building three or four-letter words from an advertising sentence is just "fascinating fun". Thinking up a sure-fire trade name or a catchy slogan involves "only a few minutes of your spare time". And—deserving a prize of itself—writing a winning contest letter "requires no literary ability whatever".

Money For What?

Many hours of poring mechanically over a dictionary is not classed as an exciting pastime by most people. And if devising trade names and slogans or writing effective sales letters requires no aptitude or training, then the high salaries paid to advertising experts are open to embarrassing question.

At best these claims are meretricious. They are put forward to lure the unthinking into competitions which they feel—with good reason—unequipped to enter. That being the case, there is certain to be a kick-back inimical to confidence in the

sponsor. Many of the people who enter prize contests are mentally inept. When they must struggle over what is said to be "an exciting game at which anybody can win", only to lose, they are scarcely in a mood to accept the manufacturer's other claims without reservation.

The blandishments employed to entice the gullible into competing (and buying merchandise) create the impression that slogans, trade names, and laudatory letters are sought as advertising material. That impression is often heightened by waivers of copyright inserted in the conditions. Yet use of winning entries for the announced purpose is the exception rather than the rule.

Names Cost Money

Not long ago a well-known corporation staged a contest ostensibly to obtain a better name for its leading product. Remarkably enough, the winning entry was made public. As a trade name it appeared decisively superior to the one in use. To procure it, the corporation had spent in excess of \$25,000. Yet no attempt was made to exploit the dearly bought title. The public-relations consequences of this practice should be obvious.

In extenuation, in most contests it must be admitted that the bulk of the matter received is hopeless as advertising material. At the same time, the mountain of chaff is pretty certain to yield some wheat. Yet most contest sponsors ignore the possibilities of what they purport to want.

A moment ago the phrase "remarkably enough" was used in connection with the public announcement of a winning entry. It seems justified. Sponsors spare no pains to make known the names of winners. But giving out the winning entries is not the universal rule. This cannot be dismissed as mere oversight.

For example, a man entered a widely ballyhooed letter contest and, failing to finish in the money, wrote to the winner requesting a copy of the successful effort. He wanted to compare his letter with the winner's, for the purpose of improving his technique. The winner replied that he was forbidden by the condition of the award to forward a copy. Thereupon the "also ran" repeated his request to the contest's sponsor, one of the best-known concerns in its field. A curt note informed him that the winning letter was not being released to anyone.

Granted, sponsors are within their rights in refusing to give out winning entries. But such conduct of a contest is like a horse race run with-

out spectators. If a considerable element of the public reciprocates by questioning the fairness of the awards, that is only to be expected.

Another contest practice, more directly inimical to confidence in the sponsor, is the addition of conditions not found in the announced rules. Of necessity, contest rules must be simple. But, more important, they should be open and above board. The failure to define "standard English words" is a frequent instance. Definition often consists of the convenient ambiguity, "in the opinion of the judges".

A more flagrant example of withheld rules is afforded by a competition following the familiar pattern of two prizes a week, topped off by a grand prize. No sex requirement was included in the "few simple rules". But each week the two winners were invariably a man and a woman. The "long arm of coincidence" could scarcely have encompassed this. Evidently two contests were running, one for each sex; which meant that the chances of any contestant were halved.

In a similar competition it was noted that weekly prizes were distributed according to a definite geographical pattern. Apparently the manufacturer was trying for maximum local publicity by spotting his awards over the country. The effect was to bar automatically entries from sections not then in the money. Moronic though they may be, contestants take cognizance of such practices. And the sponsor's reputation for fair dealing suffers.

Heaviest Liability

However, of all the public-relations liabilities the prize contest must assume, the heaviest is doubt of the methods by which entries are judged "on their merits".

This is not to suggest indulgence in sharp practices. Sponsors guard against that unsavory possibility by choosing "name" judges of established integrity. Even so, the enormity of the judging task leaves rather searching questions.

A big-time contest will draw entries totalling a million. To pass on this mountain of material a board of three or five judges is generally engaged. It would be impracticable, not to say impossible, for so small a staff to read and evaluate each of the entries. So it is the custom to engage clerks to winnow out the chaff, passing along only the comparatively scant wheat for consideration by the judges. Is it possible to train clerks accurately to appraise the merits of letters, slogans, and trade names?

With due allowance for good inten-

tions and honest difference of opinion, the odds against a prize-worthy entry reaching the final judging are long. Competitors may be pardoned for regarding contests as merely a gamble, or expressing more cynical views.

During the past year the general staff of industry has repeatedly blamed our laggard recovery on "loss of confidence". To insist that business must have faith in governmental policy and at the same time to ignore the necessity of the public's faith in commercial integrity seem grotesquely inconsistent.

Even so, the pragmatic defense runs, the prize contest can be justified because it increases sales. But, human nature being what it is, certain limitations loom larger than the stimulus. I offer myself as a "horrible example". In a weaker moment I entered a competition involving problem in design, a field in which I had specialized professionally. I realized that the handsome awards would bring out a fast field, but I felt fairly sure of "show money". Yet when the winners were announced I received not so much as honorable mention.

It may betray poor sportsmanship; but the truth is that I was angry. I felt that I was a victim of warped judgment. My resentment took a natural channel. For weeks thereafter I refused to buy any product of that manufacturer, heretofore highly esteemed.

There you have the serious, if not fatal, weakness of the prize contest as a business-builder. When contestants fatuously count on easy money, only to finish in the ruck, they vent their resentment, albeit irrationally, on the sponsor's line. So a rousing boom is usually followed by a steep slump.

That is tacitly admitted by the manufacturers. Several have found themselves obliged to follow one contest with another in order to minimize the successive reactions by enlisting fresh recruits. In other words, the prize contest follows the case history of monetary inflation. The stimulant must be used in larger and more frequent doses, which merely postpone the day of reckoning. As a long-run policy, that scarcely squares with the vaunted soundness of business.

However, it is from the standpoint of public policy that the prize contest is by far most questionable.

Dangling small fortunes before the impoverished, with the brazen claim that they can be won by anyone at almost no effort, is little less than a socially stupid form of cruelty. No one whose sympathies have not been blunted can view the impact of this

calloused exploitation without being moved to indignation. I know people, barely literate, who have undertaken the task of word-building (and wasted their pitiful resources on merchandise they should not have bought), under the childlike delusion that they had a real chance to win enough money to solve their desperate problems.

Multiply such instances—and their aftermath—by millions and there seems good reason to condemn the effect of the prize contest on mass morale as definitely dangerous. Into the tinder of dire need, stirred by winds of suspicion, it heedlessly tosses the firebrand of easy wealth. The result is inevitably to tighten the social stresses which are the most serious consequences of economic depression.

An Inconsistency

Now, one of business' most virulent "pet hates" is the proposition that all should be required to pay for what the comparative few can enjoy. It is this that has arrayed the brass-hats of industry against prepayment of the veterans' bonus, the processing taxes on farm products, and the Tennessee Valley Authority, among other things. Yet with ironic inconsistency the prize contest does precisely what business elsewhere so loudly damns.

Essentially, the prize contest forces all purchasers of the sponsor's product to contribute to the advantage only a few can gain. That would seem to leave business out on a limb in protesting the governmental application of the same principle.

Short-sighted expediency is the sole explanation of why the prize contest has not been discarded long since. The disconcerting fact must be admitted that business does not always profit by experience. Many practices continue—particularly in the sales field—though it has been proved that they are suicidally stupid if not socially pernicious. And the prize contest is one of them.

It puts a burr under the tail of sales volume. The resulting spurt is short and attended by serious after-effects. But the mere fact that there is a spurt justifies everything. Bearing out this low appraisal of business enlightened self-interest, comparatively few of the codes of "fair competition" banned the prize contest as a promotional device.

The millions willing to wager "a few minutes of spare time" on the chance of winning "big cash prizes" need fear no curtailment of their favorite narcotic. Meanwhile, business can scarcely expect to avoid the commercial and social consequences.



WALL STREET'S BOSS

BY DAVID C. BENNETT

A New Deal within the New York Stock Exchange brings Charles R. Gay to the front. What manner of man is he? What is his job?

"I GLANCED QUICKLY down the column to find out which of my friends had committed this dastardly deed."

A tall, solid man, dusty iron grey at his temples, was speaking to a small but representative group of business men. The time, December, 1934; the place, a Southern city; the man, Charles R. Gay, then a Governor of the New York Stock Exchange.

He had noted the screeching headline "Broker Kills Wife". Assuming as every other reader did that this referred to a Wall Street broker, he had sought the details. "It turned out to be an insurance agent who probably did not know the difference between a debit balance and a trading post. The reporter who wrote that story, the headline writer who

supplied the lead, and the editor who placed it, all knew that an insurance agent is not considered a broker by the general public; that the implied connection with the security market greatly increased the reader appeal and that the injury which the lead would do the security market in the minds of people who never read beyond the headlines was the concern of the market and not the paper.

Under Attack

This vulnerability to hasty judgment was a serious matter to Mr. Gay and the group of brokers who hoped to correct it. The avidity with which the public seized upon items tending to discredit the security market, the unchecked license with which demagogues and radiogogues assailed the financiers, the impotence of Wall Street in the face of hostile legislation—all these were signs of the precarious position in which the financial district found itself.

Wall Street in the past had made the grave error of minding its own business. It had assumed an appreciation of its services in the national economy, an appreciation which would overbalance the spleen of the disappointed, the viper thrust of the extremist, and the callous ambition of the politico. The experience of recent years proved the magnitude of this mistake.

The sins of the district were magnified, errors of judgment confounded with neglect of duty, the losses of investors translated into gains for the Stock Exchange, the decline in business attributed to the malice of bankers, the desire of the financial community to mind its own knitting identified as arrogance, and the failure of Manhattan to produce a Messiah to lead the land out of the depression wilderness were proof that capitalism had become both infirm and corrupt.

While the leaders of business and finance were helpless in the face of obstinate economic conditions the architects of Utopia blithely drew plans of reform which guaranteed the millennium after the next election.

These are the circumstances under which the broken forces of the financial community summoned Charles R. Gay to the helm of the New York Stock Exchange. He succeeded an able leader, Richard Whitney, who had fought a rear-guard action whose sole disqualification was the conduct of an army in a losing battle which no leader, no counsel, no strategy could have turned.

Who is this new leader of the largest American exchange? What qualifications does he bring to his job? What is the precise nature of the

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